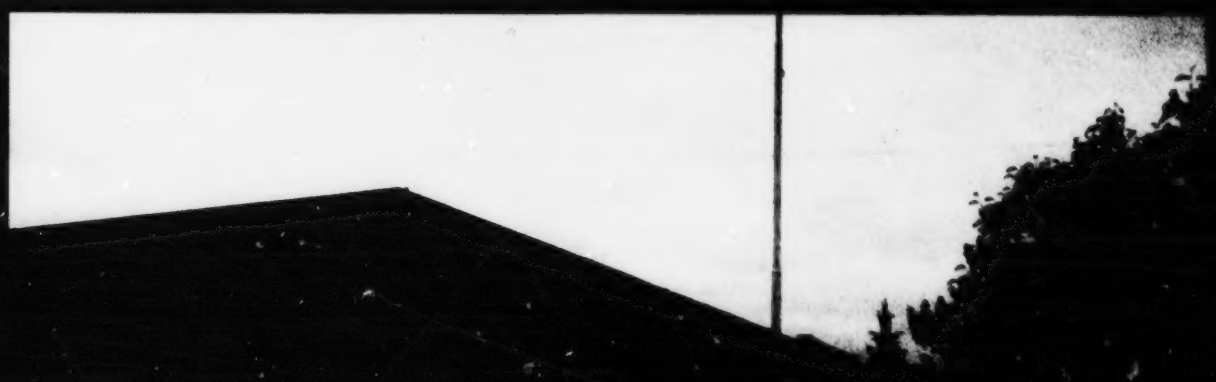

CITY OF PORT ALBERNI

British Columbia, Canada

86-06558/

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NOTE: The users of the Financial Report of the City of Port Alberni who require information additional to that provided in this Report may obtain a more detailed report upon request to:

Treasurer, City of Port Alberni,
4850 Argyle Street,
Port Alberni, British Columbia
V9Y 1V8

Treasurer's Report

March 14th, 1986

City Council,
City of Port Alberni,
Port Alberni, B.C.

Your Worship and Aldermen:

In accordance with Section 397 of the "Municipal Act" R.S.B.C. 1979, I herewith submit the financial report for the year ended December 31st, 1985.

The following observations are included for your information:

1. **REPORTING FORMAT**
   The 1985 report conforms to the format used on the forms required to be submitted to the Ministry of Municipal Affairs. This format differs from that used within the General Revenue Fund budget only in our treatment of capital expenditures and reserves for the Parks & Recreation Commission and the Alberni Harbour Quay Commission. We draw your attention to the "Notes to Financial Report" section wherein we are reporting on relevant accounting matters under three main headings:
   1) Significant Accounting Policies
   2) Translation of Foreign Currency
   3) Contingent Liabilities

2. **CASH**
   (a) *Investments and Bank Account* — the investment of funds surplus to our immediate requirements produced revenue in excess of $194,000 during 1985 compared to $199,000 during the previous year. At the peak, we had $10,000,000 invested. Interest paid by the bank on amounts on deposit in our current account during the year was over $83,000 compared to $115,000 in the year previous. Interest rates prevailing in 1985 decreased by approximately 3 percentage points while our cash position remained relatively constant in 1985 compared to the year previous.

   (b) *Borrowing* — we have compared 1985 to 1984 for temporary borrowing requirements incurred during the first half of the year, prior to receiving our taxation revenue.

	MAXIMUM BORROWING	COST
1985	$2,600,000	$70,852
1984	$2,400,000	$56,663

3. **TAX COLLECTION**

The Municipal Statistics section of the report reveals that Total Taxes Collected as a Percentage of Current Levy at 103.13% for 1985 is our best collection year in the 10 year period. The same figure for 1984 was 102.57%. This compares to the 1984 (the last for which statistics are available) Province wide average of all cities at 101.33% and for all municipalities at 101.01%. The improved collection record in 1985 can be understood when one considers the decrease in Property Taxes—Receivable from $1,039,443 to $658,542 (ie: approximately $380,000) which represents a reduction of 36.6% in 1985. As previously stated we are only able to compare statistics for the rest of the province for 1984:

	PERCENTAGE DECREASE IN PROPERTY TAXES RECEIVABLE FOR 1984 OVER 1983
Port Alberni	17.5%
Average All Cities	9.2%
Average All Municipalities	7.7%

4. **TRUST FUNDS**

The amount due to General Funds from the Industrial Mall Trust Fund for net accumulated operating costs increased from $32,475 in 1984 to $101,550 at the end of 1985. The significant increase in this receivable for 1985 is due to the onset of interest on the loan, with the Ministry of Industry and Small Business Development, to construct the building.

5. **OTHER PERTINENT MATTERS**

Two major construction projects were completed in 1985 and a third was substantially completed. The capital borrowing requirements to meet project costs, where required, were carried out in 1985. A summary presentation of the completed projects is as follows:

	PUBLIC SAFETY BUILDING RENOVATIONS	LUGRIN CREEK IMPROVEMENTS
Cash	$483,174	$475,320
Funding		
General Revenue Funds	133,174	300,320
Capital Borrowing—5 Years	350,000	
Provincial Government		175,000
	$483,174	$475,320

The construction of improvements to our water reservoirs was substantially in place by years end and will be completed during 1986.

Respectfully submitted,

C. H. Schick, Treasurer

Directory of Officials

ELECTED OFFICIALS 1985

Mayor G. R. Trumper
Aldermen
J. Bathurst
J. R. Stanhope
D. Whyte
W. E. Behn
A. J. H. Wynans
A. A. Schroeder

ELECTED OFFICIALS 1986

Mayor G. R. Trumper
Aldermen
J. Jack
J. R. Stanhope
D. Whyte
W. E. Behn
J. Bathurst
A. A. Schroeder

APPOINTED OFFICIALS 1986

City Manager	J. Sawyer
City Clerk	G. A. Wiley
Treasurer and Collector	C. H. Schick
City Engineer	R. R. Congdon
Fire Chief	D. W. Phillips
Purchasing Agent	C. Mooney
Building Inspector	W. Bach
Data Processing Supervisor	R. W. Wilkins
Licence Inspector	M. D. Boylan
Area Assessor - B.C. Assessment Authority	R. A. Loggin
Solicitor	W. Beckingham
Officer Commanding R.C.M.P. Detachment	Inspector J. Matthewson
Emergency Programme Co-Ordinator	L. Lewis
Medical Health Officer - C.V.I. Health Unit	Dr. P.J. Reynolds
Auditors	D.G. Murray
Bankers	Bank of Montreal
Planning Consultant	Regional District of Alberni Clayoquot

PORT ALBERNI PARKS AND RECREATION COMMISSION

1985

Chairman R. Haynes
Vice Chairman R. T. Eyford
J. Bathurst
R. Binab
R. Erickson
D. Brett
D. Houle
L. Nelson
A. A. Schroeder

Superintendent of Parks and Recreation
D. J. Brimacombe

1986

Chairman R. Haynes
Vice Chairman D. Brett
J. Jack
R. Erickson
J. Bathurst
A. Markin
L. Baird
D. Houle
R. T. Eyford

Superintendent of Parks and Recreation
D. J. Brimacombe

1986 ADVISORY PLANNING COMMISSION

Chairman J. R. Gilbert
D. Willis
A. A. Schroeder
S. Sall
T. Wolanski
H. Nedergard
R. J. Spencer

ALBERNI HARBOUR QUAY COMMISSION

1985

Chairman M. Ketteringham
R. Cole
L. Katila
P. Anderson
A. J. H. Wynans

Manager of Alberni Harbour Quay
L. Breese

1986

Chairman M. Ketteringham
R. Cole
R. Burnip
A. Broadway
D. Whyte

Auditors' Report

To the Mayor and Aldermen,
City of Port Alberni,
Port Alberni, B.C.

In accordance with Section 391 of the Municipal Act, I report that:

I have examined the balance sheets, statements of revenue and expenditure and such other related statements of the City of Port Alberni as were considered necessary for the year ended December 31st, 1985.

My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances, and

In my opinion the financial statements attached hereto present fairly the financial position of the municipality as at December 31st, 1985 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.

DAVID G. MURRAY
Chartered Accountant
Port Alberni, B.C.
March 14, 1986

CITY OF PORT ALBERNI

Consolidated Balance Sheet at December 31st, 1985

ASSETS	GENERAL	CAPITAL FUNDS WATER	SEWER	TOTAL
Cash and term deposits	47,643	292,567		340,210
Due from federal government				
Due from provincial government				
Due from own funds				
Accounts receivable				
Accrued interest				
Investments				
Inventories				
Properties acquired for taxes				
M.F.A. debt reserve				
Fixed Assets				
Engineering structures	20,918,741	6,175,638	5,026,180	32,120,559
Buildings	6,290,413	128,237	58,028	6,476,678
Machinery and equipment	1,866,363	331,224	315,927	2,513,514
Land	1,687,036	10,257	125	1,707,418
Work in progress	97,615	2,581,164		3,678,779
Other				
	30,917,811	9,519,087	5,400,260	45,837,158
LIABILITIES				
Due to federal government				
Due to provincial government				
Due to other local governments				
Accounts payable				
Due to own funds	97,615	13,763		111,378
Wages payable				
Accrued payables				
Deposits and prepayments				
M.F.A. debt reserve				
Reserves for future expenditures				
Asset valuation reserves		2,162,369	855,208	3,017,577
Debenture debt	3,885,483	2,933,000	1,622,168	8,440,651
Other debt	1,185,500			1,185,500
Reserve fund balance				
Equity in fixed assets	25,749,213	4,409,955	2,922,884	33,082,052
Surplus				
	30,917,811	9,519,087	5,400,260	45,837,158

GENERAL	REVENUE FUNDS WATER	SEWER	TOTAL	RESERVE FUNDS	TRUST FUNDS	TOTAL ALL FUNDS
2,524,459			2,524,459	2,276,465	170,425	5,311,559
202,358		151,314	353,672			353,672
281,795	353,984		635,779	613,135	170	1,249,084
849,318	154,474		1,003,792		389	1,004,181
14,683			14,683			14,683
25,000			25,000			25,000
406,028			406,028			406,028
232,803			232,803			232,803
467,210	207,911	88,201	763,322			763,322
						32,120,559
						6,476,678
						2,513,514
						1,707,418
						2,678,779
					727,813	727,813
5,003,654	716,369	239,515	5,959,538	2,889,600	898,797	55,585,093
72,770			72,770			72,770
87,639			87,639			87,639
766,866			766,866			766,866
967,289		11,314	978,603	52,518	106,585	1,249,084
63,572			63,572			63,572
91,984			91,984			91,984
86,090	4810		90900		1064	91,964
467,210	207,911	88,201	763,322			763,322
940,658		140,000	1,080,658			1,080,658
138,798			138,798			3,156,375
						8,440,651
					867,042	2,052,542
				2,837,082	(75,894)	2,761,188
						33,082,052
1,320,778	503,648		1,824,426			1,824,426
5,003,654	716,369	239,515	5,959,538	2,889,600	898,797	55,585,093

GENERAL CAPITAL FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Cash on hand and in bank	$ 47,643	$ 44,338
Tangible assets		
Engineering structures	20,918,741	19,788,251
Buildings	6,290,413	5,904,841
Machinery and equipment	1,866,363	1,959,495
Land	1,697,036	1,697,036
Work in progress	—	
Public safety building improvements	—	70,176
Local improvement projects	97,615	245,103
	$ 30,917,811	$ 29,709,240
LIABILITIES AND EQUITY		
Due to own funds		
General revenue funds	$ 97,615	$ 315,279
Long-term debt		
Debenture debt	3,885,483	3,575,156
Other liabilities		
Forgivable loan-TIDSA	1,185,500	1,185,500
Equity in fixed assets	25,749,213	24,633,305
	$ 30,917,811	$ 29,709.240

GENERAL CAPITAL FUND
SCHEDULE OF EQUITY IN FIXED ASSETS
AT DECEMBER 31st, 1985

	1985	1984
Balance at the beginning of the year	$ 24,633,305	$ 22,795,876
Add:		
Contributions from general revenue funds	758,616	950,395
Contributions from equipment replacement reserve fund	2,053	168,899
Contribution from federal government agencies	—	400,000
Contributions from commuted payments	43,715	2,858
Interest earned	3,305	25,784
Debenture debt repaid from general revenue funds	483,058	458,143
Actuarial increases in sinking funds	32,616	22,447
Contribution from others	—	7,500
Less:		
Depreciation	195,602	189,079
Cost of issuing debentures	7,093	5,698
M.F.A. debt reserve fund	4,760	3,820
Balance at the end of year carried forward to general capital fund balance sheet	$ 25,749,213	$ 24,633,305

GENERAL REVENUE FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Cash on hand and in bank	$ 2,524,459	$ 843,865
Receivables		
Property taxes	658,542	1,039,443
Due from federal government	—	1,159
Due from provincial government	202,358	31,591
General capital fund	97,615	315,279
Municipal transit fund	5,035	2,248
Water capital fund	13,763	—
Water revenue fund	—	506,812
Sewer revenue fund	11,314	7,428
Industrial mall trust fund	101,550	32,475
Land sale reserve fund	52,518	15,149
Trade accounts	151,376	105,886
Accrued interest	14,683	13,645
Land sales receivable	39,400	—
Total receivables	1,348,154	2,071,115
Investments	25,000	25,000
Inventories	406,028	406,712
Properties acquired for taxes		
Deeded to municipality	33,795	33,867
Subject to redemption	199,008	54,885
M.F.A. debt reserve fund	467,210	412,638
	$ 5,003,654	$ 3,848,082
LIABILITIES AND SURPLUS		
Payables		
Federal government	$ —	$ 3
Provincial government	72,770	33
Other local governments	87,639	58,544
Equipment replacement fund	613,135	435,298
Industrial mall construction	—	2,418
Cemetery care fund	170	120
Water revenue fund	353,984	66,348
Sewer revenue fund	—	—
General capital fund	—	—
Trade accounts	766,866	734,180
Wages and benefits payable	63,572	57,769
Accrued payables	91,984	30,000
Deposits and prepayments	86,090	76,553
Other liabilities		
M.F.A. debt reserve fund	467,210	412,638
Reserves		
Future expenditures	940,658	1,102,320
Asset valuation allowances	138,798	99,547
Total liabilities	3,682,876	3,075,762
Surplus		
Balance at beginning of the year	772,311	741,076
Add general revenue fund surplus for the year	548,467	31,235
Balance at end of year	1,320,778	772,311
	$ 5,003,654	$ 3,848,082

GENERAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31st, 1985

REVENUE	1985	1984
Taxation		
Real property tax	$ 8,383,696	$ 7,666,882
Business tax	591,495	1,017,145
Utility tax	22,789	22,828
Total taxation	8,997,980	8,706,855
Grants in lieu of taxes	438,666	362,530
Services provided to other governments	180,550	164,260
Sales of service	578,205	332,773
Recreation and cultural services	560,352	658,815
Licences and permits	140,291	134,968
Fines and costs	13,453	12,435
Rentals	130,628	108,151
Return on investments	288,275	323,719
Penalties and interest	152,337	192,401
Other income	54,742	71,151
Unconditional transfers from other governments	787,941	802,427
Conditional transfers from other governments	51,786	75,748
Transfer from own reserves	837,946	1,176,108
Sub-total revenues	13,213,152	13,122,341
Collections for other governments		
School authorities	7,424,334	8,876,514
Regional hospital district	153,438	198,717
Regional district	527,085	414,549
Municipal finance authority	3,393	3,318
B.C. assessment authority	240,824	235,557
Municipal transit trust fund	194,539	143,836
Total collections for others	8,543,613	9,872,491
Total revenue for the year	$ 21,756,765	$ 22,994,832

GENERAL REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31st, 1985

EXPENDITURE	1985	1984
General government services	$ 948,217	$ 963,200
Protective services		
Police protection	1,807,556	1,931,168
Fire protection	1,321,952	1,222,335
Emergency measures	40,211	30,305
Building and plumbing inspection	56,101	73,441
Animal and pest control	79,647	82,401
Transportation services		
Common services	319,743	347,371
Roads and streets	944,603	910,630
Environmental health services	437,281	406,617
Public health and welfare services	23,065	23,075
Environmental development	266,251	220,516
Recreation and cultural services	3,038,412	3,188,206
Fiscal services		
Debt services	1,108,829	1,030,293
Transfer to reserves	939,772	1,102,131
Transfer to water revenue fund	43,486	43,464
Transfer to sewer revenue fund	524,520	557,070
Contributions to general capital fund	758,616	950,395
Sub-total expenditures	12,658,263	13,082,618
Transmission of taxes collected for others		
School authorities	7,421,011	8,876,308
Regional hospital district	153,385	198,779
Regional district	527,144	414,446
Municipal finance authority	3,393	3,318
B.C. assessment authority	240,728	235,512
Municipal transit trust fund	194,547	143,808
M.F.A. debt reserve transfer	9,827	8,808
Total of transmission of taxes	8,550,035	9,880,979
Total expenditures for the year	21,208,298	22,963,597
Balance being the excess of revenue over expenditure for the year	548,467	31,235
	$ 21,756,765	$ 22,994,832

SEWER CAPITAL FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Tangible assets		
Engineering structures	$ 5,026,180	$ 5,026,180
Buildings	58,028	58,028
Machinery and equipment	315,927	315,927
Land	125	125
	$ 5,400,260	$ 5,400,260
LIABILITIES AND EQUITY		
Long-term debt		
Debenture debt	$ 1,622,168	$ 1,738,595
Accumulated depreciation	855,208	735,986
Equity in fixed assets	2,922,884	2,925,679
	$ 5,400,260	$ 5,400,260

SEWER CAPITAL FUND SCHEDULE OF EQUITY IN FIXED ASSETS AT DECEMBER 31st, 1985

	1985	1984
Balance at beginning of the year	$ 2,925,679	$ 2,719,865
Add:		
Debenture debt repaid from sewer revenue funds	103,182	98,098
Actuarial additions to sinking funds	13,244	10,832
Contributions from sewer revenue fund	—	216,105
	$ 3,042,105	$ 3,044,900
Less:		
Depreciation	119,221	119,221
Balance at the end of the year carried forward to the sewer capital fund balance sheet	$ 2,922,884	$ 2,925,679

SEWER REVENUE FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Receivables		
Due from province-sewerage grants	$ 151,314	$ 89,428
Trust and other assets		
M.F.A. debt reserve fund	88,201	138,342
	$ 239,515	$ 227,770
LIABILITIES AND SURPLUS		
Payables		
Due to general revenue fund	$ 11,314	$ 7,428
Other liabilities	88,201	138,342
Reserves		
Reserve for future expenditures	140,000	82,000
Surplus		
Balance in account	—	—
	$ 239,515	$ 227,770

SEWER REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31st, 1985

	1985	1984
REVENUE		
Sales of service	$ 2,966	$ 6,010
Local improvement charges - frontage tax	55,068	55,068
Sewerage facilities grants	156,554	89,428
Transfer from reserves	82,000	247,000
Contribution from general revenue fund	469,452	502,002
Return on investments - M.F.A. debt reserve	(50,142)	11,816
	$ 715,898	$ 911,324
EXPENDITURE		
Administration	$ 32,729	$ 32,048
Sewage collection system	56,750	71,054
Sewage pump stations	72,126	74,198
Sewage treatment and disposal	56,468	71,663
Other operating costs	11,144	13,367
Debt charges	396,823	334,095
Transfer to reserves	140,000	86,978
Transfer to sewer capital fund	—	216,105
M.F.A. debt reserve income transfer	(50,142)	11,816
	$ 715,898	$ 911,324

WATER CAPITAL FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Cash on hand and in bank	$ 292,567	$ —
Tangible assets		
Engineering structures	6,175,638	5,894,556
Buildings	128,237	128,237
Machinery and equipment	331,224	326,412
Land	10,257	10,257
Work in progress	2,581,164	506,812
	$ 9,519,087	$ 6,866,274
LIABILITIES AND EQUITY		
Payables		
Due to general revenue fund	$ 13,763	$ 506,812
Long-term debt		
Debenture debt	2,933,000	—
Accumulated depreciation	2,162,369	2,012,299
Equity in fixed assets	4,409,955	4,347,163
	$ 9,519,087	$ 6,866,274

WATER CAPITAL FUND
SCHEDULE OF EQUITY IN FIXED ASSETS
AT DECEMBER 31st, 1985

	1985	1984
Balance at beginning of the year	$ 4,347,163	$ 4,004,289
Add:		
Contributions from water revenue fund	285,894	486,457
Less:		
Depreciation	150,070	143,583
Cost of issuing debenture 1%	43,702	—
M.F.A. reserve	29,330	—
Balance at the end of the year carried forward to the water capital fund balance sheet	$ 4,409,955	$ 4,347,163

WATER REVENUE FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Receivables		
Due from general revenue fund	$ 353,984	$ 66,348
Customer accounts	154,474	158,989
Trust and other assets		
M.F.A. debt reserve fund	207,911	—
	$ 716,369	$ 225,337
LIABILITIES AND SURPLUS		
Payables		
Customer prepayments	$ 4,810	$ 4,894
Other liabilities		
M.F.A. debt reserve fund	207,911	—
Surplus		
Balance at beginning of the year	220,443	85,683
Add:		
Water revenue surplus for the year	283,205	134,760
Balance at end of the year	$ 503,648	$ 220,443
	$ 716,369	$ 225,337

WATER REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31st, 1985

REVENUE	1985	1984
Sale of water		
Flat rate sales	$ 758,857	$ 758,237
Metered sales	376,794	356,478
Total Sales	1,135,651	1,114,715
Other service charges	11,311	18,788
Return of investments	46	—
Water frontage tax	43,486	43,464
	$ 1,190,494	$ 1,176,967
EXPENDITURE		
Administration	$ 145,006	$ 141,711
Purification and treatment	12,331	7,889
Service of supply	28,850	31,534
Transmission and distribution	266,863	253,550
Pumping	95,208	68,000
Other operating costs	65,887	37,695
Fiscal services	46	—
Transfer to equipment replacement reserve	7,204	11,855
Contributions to water capital fund	285,894	473,973
Transfer to other governments	—	16,000
Total expenditure for the year	907,289	—
Balance being the excess of revenue over expenditure for the year	283,205	134,760
	$ 1,190,494	$ 1,176,967

LAND SALE RESERVE FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Cash on hand and in bank	$ 698,738	$ 667,408
	$ 698,738	$ 667,408
LIABILITIES AND RESERVE		
Due to general revenue fund	$ 52,518	$ 15,149
Statutory reserve fund balance		
Balance at beginning of the year	652,259	556,021
Add:		
Interest earned	46,879	46,387
Land sale receivable collections	100	65,000
	$ 699,238	$ 667,408
Less:		
Subdivision development costs	29,516	77
Land acquisition costs	23,502	15,072
Balance at end of the year	646,220	652,259
	$ 698,738	$ 667,408

CEMETERY CARE TRUST FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Cash on hand and in bank	$ 22,272	$ 19,298
Due from general revenue fund	170	120
	$ 22,442	$ 19,418
RESERVE		
Trust fund balance		
Balance at beginning of the year	19,418	16,181
Add:		
Proceeds received during the year	1,621	1,765
Interest earned	1,403	1,472
Balance at end of the year	22,442	19,418
	$ 22,442	$ 19,418

EQUIPMENT REPLACEMENT RESERVE FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Cash on hand and in bank	$ 1,577,727	$ 1,273,624
Due from general revenue fund	613,135	435,298
	$ 2,190,862	$ 1,708,922
RESERVE		
Statutory reserve fund balance		
Balance at beginning of the year	$ 1,708,922	$ 1,421,432
Add:		
Interest on investments	100,805	81,292
Transfers from general revenue fund	373,206	369,147
Transfers from water revenue fund	7,204	11,855
Transfers from sewer revenue fund	—	4,878
Federal grant propane conversion	—	1,600
Sale proceeds	2,778	—
	$ 2,192,915	$ 1,890,304
Less:		
Equipment purchased during the year	2,053	181,382
Balance at end of year	2,190,862	1,708,922
	$ 2,190,862	$ 1,708,922

INDUSTRIAL MALL TRUST FUND
BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Due from general revenue fund	$ —	$ 2,418
Trade receivables	389	3,832
Assets acquired from IDSA loan	727,813	727,813
	$ 728,202	$ 734,063
LIABILITIES AND RESERVE		
Due to general fund - operating	$ 101,550	$ 32,475
IDSA loan	725,710	725,710
Trust fund balance (deficit)		
Balance at beginning of the year	(24,122)	(18,551)
Add:		
Interest earned	—	28
Rentals and recoveries	15,387	8,426
Less:		
Marketing and management	6,185	8,990
Building maintenance	34,245	5,035
Interest	49,893	—
Balance at end of the year (deficit)	(99,058)	(24,122)
	$ 728,202	$ 734,063

SCHEDULE OF FIXED ASSETS
AT DECEMBER 31st, 1985

	ENGINEERING STRUCTURES	BUILDINGS	MACHINERY EQUIPMENT	LAND	TOTAL
GENERAL CAPITAL FUND					
General Government		$ 525,118	$ 138,811	$ 77,510	$ 741,439
Protective Services					
Fire Department		328,059	305,745	34,039	667,843
Police Department		960,297	47,457	4,153	1,011,907
Pound and Pest Control	$ 4,448	50,533	3,907		58,888
Transportation Services					
Workshop and Yard		352,334	792,600	67,175	1,212,109
Bridges	73,875				73,875
Drains, Ditches and Dykes	3,160,064				3,160,064
Streets, Roads and Sidewalks	15,284,772				15,284,772
Off Street Parking	210,709				210,709
River Road Flood Control	203,561				203,561
Argyle Street Water Lot	65,602				65,602
Environmental Health					
Garbage Collection			179,615	1	179,616
Public Health					
Health Centre		129,488		4,438	133,926
Recreation and Cultural Services					
Parks and Playgrounds	899,408	266,336	193,204	1,177,064	2,536,012
Arena and Curling Rink		581,454	35,606	23,062	640,122
Swimming Pools	20,228	478,848	38,909	41,944	579,929
Glenwood Centre		99,200	18,327	9,945	127,472
Gyro Youth Centre		45,646	6,549		52,195
Echo '67 Community Centre		460,599	80,111		540,710
Library — Museum		905,346	11,246		916,592
Alberni Harbour Quay	996,073	1,107,156	10,408	75,035	2,188,672
Other Services					
Cemetery				147,216	147,216
Waterfront Property				1,370	1,370
1912 Buick			3,461		3,461
Emergency Measures			405		405
Marina				34,084	34,084
	$ 20,918,741	$ 6,290,413	$ 1,866,363	$ 1,697,036	$ 30,772,554
SEWER CAPITAL FUND					
Collection System	$ 5,026,180	$ 58,028	$ 315,927	$ 125	$ 5,400,260
WATER CAPITAL FUND					
Source of Supply	$ 937,432	$ 128,238	$ 331,224	$ 10,257	$ 1,407,151
Distribution System	5,238,205				5,238,205
	$ 6,175,637	$ 128,238	$ 331,224	$ 10,257	$ 6,645,356

SCHEDULE OF DEBENTURE DEBT AT DECEMBER 31st, 1985 (indicating the principal and interest for 1986)

PURPOSE	AMOUNT OUTSTANDING OWN ISSUE	AMOUNT OUTSTANDING ISSUED BY M.F.A.	AMOUNT OUTSTANDING TOTAL	1986 REQUIREMENTS PRINCIPAL	1986 REQUIREMENTS INTEREST
General capital fund	$ 916,011	$2,969,472	$3,885,483	$558,419	$ 526,343
Water capital fund	—	2,933,000	2,933.000	88,702	327,029
Sewer capital fund	460,495	1,161,673	1,622,168	108,665	194,503
	$1,376,506	$7,064,145	$8,440,651	$755,786	$1,047,875

MUNICIPAL TRANSIT TRUST FUND BALANCE SHEET AT DECEMBER 31st, 1985

ASSETS	1985	1984
Cash on hand and in bank	$ 148,153	$ 46,899
LIABILITIES AND RESERVE		
Due to province	$ 141,332	$ 67,358
Due to general revenue fund	5,035	2,248
Deferred revenue	1,064	—
Balance at beginning of the year (deficit)	(22,707)	1,480
Add:		
Tax levy	194,547	143,808
Interest earned	3,860	4,783
Revenue from operation	108,520	109,325
	$ 284,220	$ 259,396
Less:		
Payments to B.C. Transit	273,505	272,241
Municipal administration cost	9,993	9,862
Balance at end of the year (deficit)	722	(22,707)
	$ 148,153	$ 46,899

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31st, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

(a) The City reports its activities on the fund accounting basis that is followed by British Columbia municipalities.

(b) Investments are carried at cost.

(c) Inventories are valued at cost on the first-in first-out basis.

(d) Fixed assets and depreciation:

(I) General Funds—equipment and furnishings are recorded net of depreciation applied, using the declining balance method. All other fixed assets are recorded at cost.

(ii) Water and Sewer Funds—all capital assets are recorded at cost and depreciation is recorded on a straight line basis using rates determined in accordance with the estimated life of the assets.

2. TRANSLATION OF FOREIGN CURRENCY

(a) No provision has been made in the accounts for any possible future foreign exchange losses. Actual foreign exchange costs incurred on interest and principal repayments during the year are recorded as expenditures in that year.

(b) Included in debenture debt outstanding are $836,156 of U.S. dollar issues. The equivalent estimated Canadian dollar amount at December 31st, 1985 is $1,178,980.

(c) Included in demand notes outstanding are $125,043 of U.S. dollar issues. The equivalent estimated Canadian dollar amount at December 31st, 1985 is $176,311.

3. CONTINGENT LIABILITIES

(a) Debt issued by the Regional District of Alberni-Clayoquot is a direct, joint and several liability of the District and each member municipality, including the City.

(b) The loan agreements between the Regional District of Alberni-Clayoquot and the City with respect to borrowing provided by the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the District obligation in respect to such borrowing, the resulting deficiency becomes a liability of the City.

(c) No reserve has been provided for employee sick leave accruals, because there is no payout on termination.

MUNICIPAL STATISTICS

	1976	1977	1978
Population (based on last census)	19,971	19,597	19,597
Assessed Valuations for General Purposes Assessed values are actual values for 1983 and subsequent years			
Land	13,784,767	13,665,446	15,213,483
Improvements	48,554,741	49,873,116	51,014,635
Total	62,339,508	63,538,562	66,228,118
Per Capita Assessment for General Purposes	3,122	3,242	3,379
Tax Rates for Residential Class Tax rates for 1983 and subsequent years are expressed in $ per thousand of actual value			
General	44.540	49.994	52.455
Debt	10.000	9.780	10.152
School District - Local	42.900	40.853	46.591
Regional Hospital District	1.270	1.180	1.558
Municipal Finance Authority	.018	.020	.018
Regional District	1.970	2.078	2.427
Assessment Authority	1.255	1.271	1.445
Municipal Transit	—	—	—
Total Tax Rate - Residential	101.953	105.176	114.646
Current Tax Levy			
General	2,776,345	3,183,950	3,473,928
Debt	623,337	622,797	672,335
School District - Local	4,296,955	4,155,429	5,502,257
- Provincial	—	—	—
Other Levies — Special Assessments	227,019	233,303	270,115
Regional Hospital District	125,039	118.036	180,839
Municipal Finance Authority	1,772	2,001	2,089
Regional District	193,958	207,569	281,708
Assessment Authority	123,562	127,139	167,724
Municipal Transit	—	—	—
Total Tax Levy	8,367,987	8,650,224	10,550,995
Per Capita Tax Levy	419.00	441.40	538.39
Tax Collection			
Current Taxes Owners Payments	6,934,883	7,188,877	9,015,204
Provincial Home Owner Grants	1,251,022	1,294,928	1,375,201
Total Current Taxes Collected	8,185,905	8,483,805	10,390,405
Percentage of Current Levy	97.82	98.08	98.48
Arrears and Delinquent Collected	143,674	222,221	260,039
Percentage of Current Levy	1.72	2.57	2.46
Total Taxes Collected	8,329,579	8,706,026	10,650,444
Percentage of Current Levy	99.54	100.64	100.94
Unpaid Taxes			
Current	199,038	192,544	177,478
Arrears	84,667	91,253	58,832
Total Unpaid Taxes	283,705	283,797	236,310
Per Capita	14.21	14.48	12.06

1979	1980	1981	1982	1983	1984	1985
19,597	20,032	20,032	19,892	19,892	19,892	19,892
18,702,822	20,191,572	18,915,422	26,176,820	128,187,211	128,332,254	104,935,475
55,600,484	63,624,253	68,625,430	81,980,075	355,867,866	350,196,077	342,591,222
74,303,306	83,815,825	87,540,852	108,147,195	484,055,077	478,528,331	447,526,697
3,792	4,184	4,370	5,437	24,334	24,056	22,498
48.993	46.975	57.100	57.329	7.71	8.06	9.48
8.810	8.317	7.046	5.285	1.08	1.09	1.19
48.683	48.838	50.877	43.053	5.40	5.12	5.66
1.391	1.235	1.252	1.164	1.15	.12	.09
.018	.020	.020	.018	.002	.002	.002
1.837	2.080	1.745	1.777	2.41	.25	.31
1.430	1.295	1.295	1.199	.14	.14	.14
—	.739	.864	.924	1.06	.09	.11
111.489	109.499	120.199	110.749	18.952	14.9	16.98
3,616,214	3,926,967	4,995,331	6,192,929	6,184,158	6,408,221	7,072,948
650,270	695,276	616,412	570,909	866,392	863,039	890,870
6,397,013	7,094,509	8,284,297	1,729,759	1,619,989	1,554,036	1,514,098
—	—	—	8,617,448	7,388,090	7,322,478	5,910,235
269,667	284,032	312,551	413,191	421,330	373,268	442,667
179,512	175,982	205,767	239,521	191,620	198,717	153,438
2,332	2,850	3,287	3,704	3,345	3,318	3,393
237,048	296,391	286,791	365,660	402,636	414,549	527,085
185,254	184,532	207,112	246,723	233,923	235,557	240,824
42,340	105,304	141,999	190,135	176,404	143,836	194,539
11,579.650	12,765,843	15,053,547	18,569,979	17,487,887	17,517,019	16,950,097
590.89	637.27	751.47	933.54	879.14	880.60	852.11
9,622,487	10,778,035	13,005,310	15,996,064	14,909,888	15,152,899	14,659.089
1,815,593	1,877,951	1,907,815	1,954,592	1,920,470	1,904,120	1,923,939
11,438,080	12,655,986	14,913,125	17,950,656	16,830,358	17,057,019	16,582,358
98.78	99.14	99.07	96.67	96.24	97.37	97.8
187,895	210,905	182,019	201,269	640,060	910,111	897,820
1.62	1.65	1.21	1.08	3.66	5.20	5.30
11,625,975	12,866,891	15,095,144	18,151,925	17,470,418	17,967,130	17,480,178
100.72	100.67	100.28	97.75	99.90	102.57	103.13
157,314	125,503	419,721	695,292	718,943	553,815	401,621
72,965	70,840	57,122	352,524	541,333	485,628	256,921
230,279	196,343	476,843	1,047,816	1,260,276	1,039,443	658,542
11.75	9.80	23.80	52.68	63.35	52.25	33.11

MUNICIPAL STATISTICS

Debenture Debt	1976	1977	1978
Water	368,000	291,000	410,000
Sewer	1,504,495	1,858,822	1,768,189
General	*3,605,977	3,233,409	3,130,901
Gross Debenture Debt	5,478,472	5,383,231	5,309.090
Per Capita	274.32	274.70	270.91
Less: Sewer and Water Utilities Debt	1,872,495	2,149,822	2,178,189
Net Debt Excluding Utilities	3,605,977	3,233,409	3,130,901
Per Capita	180.56	178.77	159.72
Borrowing Power			
Gross Borrowing Power	16,375,899	17,840,166	15,378,949
Present Debt Less Statutory Deductions	5,294,473	5,237,713	4,219,996
Unused Borrowing Power	11,081,426	12,602,453	11,158,953
General Revenue Fund Statistics			
Budget	12,627,353	13,282,012	15,769,990
Actual Revenues	12,903,941	13,468,323	15,707,415
Actual Expenditures	12,853,276	13,437,533	15,698,628
Surplus	50,665	30,790	8,787
Expenditure Per Capita	643.60	685.69	799.03
Capital Expenditures			
Financed From General Revenue	708,596	993,429	712,501
Other Sources of Revenue			
Provincial Unconditional Grants	692,512	665,890	1,107,336
B.C. Hydro Grant	70,078	69,468	98,762
Business Tax	613,195	633,227	660,441
Land Sale Reserve Fund Balance	123,355	362,115	280,172
Building Permits			
Number Issued	253	270	209
Construction Values	8,936,559	7,516,372	11,203,859

1979	1980	1981	1982	1983	1984	1985
324,000	249,000	170,000	90,000	—	—	2,933,000
1,649,196	1,521,469	1,544,057	1,991,240	1,847,524	1,738,595	1,822,168
3,091,754	2,970,948	2,999,477	3,953,363	3,673,746	3,575,156	3,885,483
5,064,950	4,741,417	4,713,534	6,034,603	5,521,270	5,313,751	8,440,651
258.45	236.69	235.30	303.37	277.56	267.13	424.32
1,973,196	1,770,469	1,714,057	2,081,240	1,847,524	1,738,595	3,099,168
3,091,754	2,970,948	2,999,477	3,953,363	3,673,746	3,575,156	5,341,483
157.77	148.31	149.73	198.74	184.64	179.73	268.52
15,448,276	16,154,726	17,888,871	20,261,504	20,705,276	20,911,672	19,549,838
4,902,950	4,616,917	4,628,534	5,989,603	5,521,270	5,313,751	7,699,861
10,545,326	11,537,809	13,260,337	14,271,901	15,184,006	15,597,921	11,849,977
17,189,850	19,843,614	23,143,161	24,554,719	23,572,361	22,751,706	21,685,969
16,112,376	18,736,167	21,885,163	25,039,867	23,648,884	22,994,832	21,756,765
16,086,461	18,710,373	21,874,142	25,028,885	23,582,581	22,963,597	21,208,298
25,915	25,794	11,021	10,982	66,303	31,235	548,467
820.86	934.02	1,091.96	1,258.24	1,185.53	1,154.41	1,066.17
669,716	1,189,204	1,540,025	1,120,501	379,869	950,395	758,616
1,148,288	1,377,592	1,539,625	921,776	902,260	802,427	787,941
119,416	145,965	155,813	182,316	176,737	210,230	235,406
767,309	838,546	1,051,663	1,244,501	1,096,283	1,017,145	591,495
158,959	328,960	531,181	823,925	556,021	652,259	646,220
279	247	258	128	150	142	146
15,944,467	9,772,471	9,628,857	7,674,194	3,693,909	2,314,886	2,730,451